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Bačlija, Irena; Brezovšek, Marjan

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ESSAYS

Organizational Culture and Public Administration – the Quality of Customer Operations in Administrative Units in Slovenia

Irena Bačlija and Marjan Brezovšek

Abstract: *The rapid transfiguration of modern society through globalization processes is changing the national state administration's classical regulative and authoritative role into a creative evolutionary partnership encompassing all subsystems of society. In fact, the creation and development of a modern administrative system is the main goal not only of ex-socialist countries but nations worldwide. We expect our public administration bodies to have the relevant skills to deal with and be aware of all the political and organizational changes taking place in the globalized world; if they are lacking it will be impossible to move from structural towards material change. In the processes of evolutionary change in public organizations, organizational culture plays a most important role because without it we cannot understand the dynamics of organizational growth and change, and why certain processes cannot be revived. In this paper the authors will analyse organizational cultures and climates and stress their importance for public administration systems. Its goal is to present and evaluate a project in the Slovenian national state administration system that has been ongoing for almost five years. The project involves the comparative research of the organizational climate and satisfaction levels among civil servants and citizens (users). The authors will focus their analysis on levels of awareness of the importance of satisfaction and organizational climate in administrative organizations, given their impacts on organizational efficiency and effectiveness, and analyse the organizational climate's effects on employee motivation.*

Keywords: *Organizational culture, organizational climate, public administration, administrative reform in Slovenia*

Organizational culture and public administration

The transformation of public administration is a process unfolding in both developed countries and those undergoing democratic transition. It is part of the global change in modern states, known as social and political modernization. At the most general level, this means a transition, and distinction between traditional and modern

society, which is seen in the development from an authoritarian to democratic society, from a closed to an open society, and to a pluralistic political system. Societal change is related to and dependent on the processes of political modernization, in which some institutions disintegrate, political participation increases, a modern political culture emerges, etc. The processes and nature of changes in public administration are thus to a large extent contingent upon development processes in individual states and determined by the cultural and politico-administrative environment in which the changes take effect. When reforming public administration the post-socialist countries experience specific problems such as the disintegration or change of social values based on collectivism, egalitarianism and equality. Yet the disintegration of these values has not necessarily led to the creation of new and democratic ones because there is often an absence of political unanimity and consensus on the nature of administrative reforms, and the way that they should proceed: states have an unpleasant experience with bureaucracy and regard it as an unnecessary cost. In addition, privatization, social stratification and a lack of supervisory and control mechanisms (tax surveillance and corruption) also represent a formidable challenge even to consolidated democracies, let alone for the conditions in which public administration has to undergo reforms and contain the situation. The basic directions of the reforms in these states can be represented by a 6D-model: de-statization, democratization, decentralization, deconcentration, deregulation and debureaucratization.

In countries where democracy is consolidated, the substance and problems of structural and legislative public administration reform are retreating from public and political agendas in terms of attracting attention and interest. However, they are being replaced by the issue of modernized public administration in terms of its openness, transparency, efficiency, accessibility and customer (internal and external) focus, topics of perhaps even greater importance to the quality of life of citizens and to the competitive ability of an economy and thus to the efficiency of society itself. Hence, a proper organizational culture and organizational climate is becoming ever more recognized as one of the fundamental aspects that may – even more so than some others – exert a decisive influence on the effectiveness of any given system, especially on public administration. From the standpoint of further public administration development and change, the fundamental issue increasingly revolves around how integrated the institutional arrangement of the administrative function and organization (the latter two certainly were emphasized strongly during the first decade of the consolidation processes) is with the cultural components, recognized as the elements of organizational and administrative culture, with the latter being inseparably linked with the political and administrative culture of the wider environment.

Before proceeding it is worthwhile to also define more accurately the notion of administrative culture. Some definitions of culture as something that an organization has” regard the culture as one of the properties or achievements of the organization. The culture represents the static approach, which presupposes the harmony of the formal and symbolic aspects of an organization. Such views were prevalent until the mid-1970s. One of the most prominent proponents is McKinsey, with his 7-S diagram showing culture in the middle of the “lucky atom” (Peters – Waterman, 1982: 10). The second definition of culture as something that an organization “is” derives from the assumption that the cultural system is independent and does not necessarily develop in harmony with the structures of the societal system and the formal processes within an organization; this definition thus represents the dynamic approach. Definitions of organizational culture differ mainly in accordance with the elements individual scientists have emphasized in their related studies. Hence, Handy (1976: 176) defined the notion of organizational culture as a combination of shared norms and convictions reflected in various organizational structures and systems of operation, whilst Pettigrew (in Schein, 1995: 38) delineated it as a collective will of the members, as “what organization truly needs” or “what really matters on the way forward”. Hofstede (1984: 21) defined organizational culture as a collective programming of memory, distinguishing the members of one organization from the members of another and, at the same time, he stressed the fact that culture is not a characteristic of individuals but of an organization, and that it manifests itself through the verbal and non-verbal behaviour of its individual members. Since the definitions of organizational culture are not uniform, we can mention several unified concepts which, according to Hofstede (1990: 286), could be agreed upon by the majority of authors. Thus, organizational culture is:

- integral;
- diachronically determined;
- its concept is related to anthropological concepts;
- socially created;
- “a soft” concept; and
- has a low level of susceptibility to change.

A close connection with the notion of organizational culture can be found in the notion of organizational climate, which comprises a range of characteristics expressing employee satisfaction with the social aspects of work (Možina – Kavčič,

1994: 191). The concept of organizational climate or organizational atmosphere has had a longer history of study in the field of organizational psychology and organizational behaviour.

The starting point, which is based on the (re)formation of organizational culture in order to effectively implement institutional change, is the main mobilizing force behind changes to public administration. Thus, the fundamental assumption is that a suitable organizational culture influences the effectiveness of an organization and can even be more important than some other success factors. In the field of public administration as a service activity, where the human factor is paramount, a suitable and developed system of human resource management is important for the alteration of the organizational culture and climate, and must be capable of detecting and suitably adapting to the demands of the external environment (rationality, openness, responsiveness, customer focus, professionalism and an apolitical stance). With a suitable system of human resource management in place, accompanied by the ability and readiness of the administrative management to (re)form the organizational culture, the possibility and opportunities arise to combine institutional-normative reforms with the long-term reinforcement of habits, conduct and behaviour of the employees, so as to assure that the staff meet the demands and expectations of the challenges posed by the environment.

At the heart of the problem is the question of incongruence and tension, since institutional change in public administration as a consequence of an adaptation to societal and political modernization does not echo in the cultural system of the public administration or with the carriers of this change, the civil servants, and in their value systems, convictions, stances, norms and customs. Under the conditions of fast change, organizational culture, which is prone only to a slow course of change, is to a lesser extent an integrative and cohesive element of the administration, and does not help in its ability to adapt to the environment. This manifests itself in a lower level of administrative efficiency and its reduced role as a partner in the process of developing a modern and democratic state. Its dysfunctional character lags behind formal change and can cause tensions, conflicts and frustrations among civil servants and even clients, and hinders the energies needed for efficiency. This is precisely what administrative management has to understand, as a mean for its (trans)formation.

At the most general level, the various aspects of change in Slovenian public administration can be described as a transition from a traditional (closed) administration towards an open one. Its role could be described as classic and regulative and one of power. The system is receding at an ever increasing rate and developing towards a creative, developmental partnership with all other societal subsystems.

Yet the foundation of a transition to an open, modern public administration is civil servants, with their culture, and a suitable system of human resource management. Administration managers encountering these new challenges have to answer some fundamental questions: what is their role in the formation and change of the administration as seen through the lens of organizational culture; how do they educate themselves and what methods do they use for strategies for directing employees towards specific goals? What is their idea of the organization's future and its culture, and what course of action should be taken in order to achieve change? Due to the development of congruence between the public administration culture and the objectives of modern management, identified as the principle of new public management (Osborne in Gaebler, 1992), administration managers can create and implement various strategies of organizational culture change. They can, of course, ignore and avoid it or they can encourage and change it. However, the alteration of convictions, values and collective experience of civil servants and administrative managers alike embodies the condition of organizational culture change, which entails a greater level of the administration's adaptability to the demands of the environment. The managers must, through planning and action, shape a unanimity regarding the changes and confirm as well as maintain with their legitimacy the reformed culture within the administration.

If one considers the reform, modernization or change of the public administration as representing a complex, multi-dimensional developmental process with political, administrative, economic, organizational, technological and civil service dimensions, the reform is undoubtedly related to, dependent on and determined by the contents of political and general societal modernization. With the establishment of a new state legal system and the construction of democratic institutions that have brought about and synthesized a substantial change in the political modernization processes, including the foundation of the nation's own state and the process of acceding to the legal and political structures of the European Union, the 1990s were a turning point for Slovenian society. In the aftermath of the "heroic era", the "grand" topics have been constantly retreating from public attention and mobilizing agendas of both the public and politics, and are tending to be replaced by everyday topics whose importance and decisive influence on the quality of life of the citizens and capabilities of economic development may be even greater. All of the extensive public administration change in the fields of legislation, e-business, education, civil service and establishment of quality systems represent an important part of the public administration's modernization and can, at the most general level, be described as the transition from traditional (closed) towards participative (open) public administration. However, the state of the organizational culture in the administration has gained in importance as a condition for achieving the efficiency and effectiveness of this transition. The culture

can be said to entail a resistance to change, an attitude of domination towards the citizens and a lack of partnership, etc.

In the socio-cultural sphere, the entire public administration system has been facing a move away from the general Weberian principles of operation and from the functioning of a Keynesian state; however, in the cultural sphere, which is still historically and socially determined, civil society and participative dimensions have yet to be developed; the actors in between the two spheres, i.e., civil servants, represent, with their identification with the relevance of organizational culture and their capability to modify it, the main mobilizing force behind further change within public administration. These changes are to be interpreted as the starting points for reshaping and changing the organizational culture, with the employees identifying it as a decisive element and enabling themselves to reshape and change it. To a large extent, this opportunity has been recognized in the planned remoulding of organizational culture through an elaborate and consistent model of human resource management.

When considering the transition of the public administration from a traditional (closed) to an open (participative) administration, despite some varying characteristics, one can observe the gradual disappearance of differences in public and private sector performances. The leadership and management of both sectors include customer service, whose essence has been intensively altered by standardized information-communication technology. Managers in both sectors will inevitably use, acquire and develop similar or the same knowledge at an ever increasing rate for directing, steering and managing the business and other processes going on in the organizational reality. In so doing, the relevance of a suitable organizational climate and culture has been gaining ever greater recognition as a basic foundation that can decisively affect the effectiveness and efficiency of organizations. Good business clearly depends upon the partnership relations between employees and the leadership of an organization since satisfied employees (with the possibility of professional development and an awareness and acceptance of the goals of their company) tend to be far better motivated to do their jobs well and thus become the key factor of their organization's success. And, although this approach has led to success for a number of years within the private sector, there is, despite the presence of some fundamental differences, no reason not to regard it as a suitable choice for changing public administration. According to the New Public Management doctrine, public administration as a business system has to begin operating on the basis of business effectiveness and excellence. As Bučar argues, not all problems are to be solved by such a course of action; however, self-regulating mechanisms will thus be included in a public administration, and it is their own dynamics, which will force the administration to become ever more effective (Bučar, 2000).

Administrative reforms in Slovenia as a foundation for changing the organizational culture in public administration

Ideas, principles and objectives of administrative reform

There are different definitions of administrative reform, which is no surprise, since various activities tend to be meant by the term. Some definitions stress the results of administrative reform through which the administrative system should become a more efficient means of societal change and is expected to ensure political equality, societal equity and economic growth. On the other hand, other authors concentrate more on the processes involved and see the reforms in the context of a change to established civil service practice, behaviour and structures. Yet some scholars (Jreissat, 1988: 86) even try to connect both approaches by dealing with the change in the process as part of establishing an efficient and effective public administration. In spite of the differences, these definitions share the following common characteristics:

1. administrative reform means carefully planned changes in public administration;
2. administrative reform is synonymous with innovations;
3. improvements in efficiency and effectiveness are the intended consequence of the reform processes;
4. the necessity of reform is justified by the need for overpowering uncertainties and the fast changes seen in the environment (De Guzman, 1992: 12).

Administrative reforms can be directed towards either individual institutions or the entire administrative (and wider) political subsystem. The disadvantage of this definition lies in its emphasis on instrumental rationality, which narrows administrative reform to a technical problem and neglects the political interactions of the stakeholders (civil servants, politicians, citizens and interest groups). Caiden (1969: 8) long ago dealt with the technical aspect through an emphasis on the political (and cultural) aspects of administrative reforms, which he designated as “an artificial encouragement for administrative alteration against the opposition to change”.

Few reforms originate from a single cause, and many are a collection of political circumstances and the development of ideas about how reforms should be undertaken, and economic crises. Yet the roots of reforms and the way they affect the political process can still be a topic of discussion. Apart from costs, efficiency and quality of service, the more relevant factors tend to incorporate civil servants, the structure (reorganization) of public administration, policy change and the transparency of the public administration and politics (political will) (Peters, 2001: 362). Civil servants can be the object and cause of reforms either because of their too limited or too

great influence on politics. The ideas behind the attachment of the sense and flow of individual reforms are the market (public administration should approach the private sector's performance), participation (inclusion in decision-making processes), deregulation (doing away with the rules that hinder initiative) and a flexible public administration. Contrary to the traditional (bureaucratic) model of public administration, the mentioned ideas for public administration reform which might be mutually controversial (the greater stress on individualism in the market model could be at odds with the collective approach in the participation model; the market model is to some extent incompatible with the emphasis of management and activities that take place in the deregulation model), are to a significant extent a result of the salient ideological and intellectual aspects of the current reforms. All such expressed ideas ought to be reasonably co-ordinated and connected with the political and public administration institutions that are involved in the reforms. An integral delineation of principles that make up the process of improving the public administration's performance can be found in the work of Osborne and Gaebler (1992), under the name of *Reinventing Government*, which embodies the methodology of public administration reform, putting stress on direction (management), user orientation, mission, strategic management of efficiency and effectiveness, and being focused on results, efficacy, autonomy, decentralization, competitiveness, preventive action and the market.

The *Strategy of the Further Development of the Slovenian Public Sector 2003-2005* (2003: 14 *et seq*) states that "the Government of the Republic of Slovenia is aware of the fact that good governance, apart from economic growth and social cohesion represents one of the pillars of societal development and welfare. In the context of public governance, public administration plays an important role, as it provides expert knowledge for political decision-making and takes care of direct execution of the approved policy. The quality of public policies and their real social value are therefore to a great extent reliant upon the quality, efficiency and effectiveness of the public administration's operation". The *Strategy of the Further Development of the Slovenian Public Sector* puts forward the individual horizontal elements of the operation of different issue areas: status forms; salaries; budget; the rationalization of staff recruitment; human resource management; the organization of administration; e-government; the management of quality, an open administration and such like. The development of Slovenian public administration is thus, as noted by Kovač (2003: 194), directed towards fewer regulative measures or even to virtually normatively neutral activities such as civil service management, management of quality within the administration, optimization of administrative processes and implementation of the principle of administrative openness to citizens or the interested public. Slovenia's public administration should act according to the principles of legality, the rule of law and the predictability of law, political neutrality, customer focus, openness and transparency, quality, effectiveness and efficiency.

The more precise objectives of developing (reforming) the Slovenian public administration refer to (Strategy 2003: 14-15) effectiveness and efficiency, quality and responsiveness, civil service system and modern human resource management, and optimization of business processes and a modern administrative organization. The quality of public administration encompasses the elevation of standards of administrative services and the measurement and improvement of customer satisfaction, the encouragement and promotion of good practice, improvement of the quality of regulations through an improved due legal process, and the greater predictability of the public administration's actions etc. The public administration's responsiveness refers to the criticisms, suggestions, comments and praise of interested subjects, the availability of public information, conduct in the name of the public good, the development of partnership relations within the state administration and co-operation with civil society, and the development of partnership relations with non-governmental organizations. Civil servants are recruited on the basis of professional qualifications, with the civil service system introducing conscious, systematic, planned and rational human resource management, personnel mobility and greater flexibility of transfer and division of labour. The civil service is also introducing rewards and promotions based on work success, promoting staff motivation, civil servant qualification schemes, the development of an organizational culture that will include awareness of the public administration's mission, the responsibility of civil servants, and improved satisfaction, together with the motivation for work in public administration. The modern organization of the administration is founded on the standardization of business processes, flexible project organizing, electronic business and business rationalization.

Normative foundations of Slovenian administrative reform

The main task public administration in Slovenia (in accordance with the Public Administration Act) is to draft bills, executive regulations and other laws, and to prepare other materials for the Government. This means that public administration also provides expert assistance in the policy-making process. Administrative tasks are performed by Ministries, bodies within the Ministries, and Administrative Units. There are 58 Administrative Units located approximately evenly throughout the country. They were established in order to perform the tasks of public administration that should be organized and performed territorially. Since Slovenia does not have regions as a second level of local self-government that could take over the tasks of deregulated public administration, the Administrative Units took over this role and became an extended state administration "in the field". Among others Administrative Units take the ultimate decisions in administrative matters within the state's competence, unless otherwise stated by the laws governing the relevant

administrative matters. The units also perform other administrative tasks falling within the state's competence, on the basis of the law governing the particular fields of activity. In relation to this, Administrative Units have no authority whatsoever, and when performing tasks falling within their competence they act under the expert guidance provided by the Ministries competent in respect of particular tasks.

Under Article 49 of the Public Administration Act, the relationships between Ministries and Administrative Units are strictly defined. Ministries should provide Administrative Units with guidelines, expert advice and expertise with respect to the performance of tasks falling within their competence; provide Administrative Units with binding instructions in respect of performance of the tasks falling within their administrative departments; monitor working process organization in the Administrative Units and in the respective inner organization units; monitor the qualifications of employees in performing their tasks; monitor efficiency in resolving administrative matters and supervise the performance of administrative tasks in Administrative Units. They are entitled to request the performance of certain tasks or take certain measures which are within the competence of the Administrative Units.

Local self-government administration falls under the public administration legislation in Slovenia, however it is a part of a different "sub"-system within public administration. Local self-government in Slovenia is organized at its first level – the municipality. All administrative assistance to the local self-government bodies (local council and mayor) is enabled by the local administration. However "this" administration is completely separated from the tasks and work of Administrative Units and it is supervised solely by local government.

Slovenia's public administration reform was first directed to establishing institutions in administrative fields and later steered towards adapting the public administration system to the constitutional concept of the division of powers and local self-governance. As far as the institutional arrangement of the Slovenian state and especially its government are concerned, one has to be aware of the dominance of parliament over the government, which is not a typical of a classical parliamentary system. The peculiarity of this arrangement reflects an array of elements in the Slovenian constitution, especially those prescribing the nomination of ministers in Parliament and the exercise of the individual responsibility of ministers to Parliament. As a result the Government's collective responsibility to Parliament is substantially neutralised, as is the institution of a constructive vote of no confidence. Such elements include Article 2 of the Government of the Republic of Slovenia Act, stating that the Government defines, directs and co-ordinates implementation of the state's policy. Therefore, the state's policy is not determined by the Government with support in Parliament, but by the National Assembly. Parliament's (National Assembly's) dominance over the Government is also enabled by the provisions of

Article 87 of the Constitution of the Republic of Slovenia, stating that citizens' rights and obligations can only be prescribed by law, hence the legislative competence of the National Assembly is defined as being far wider than in most other states, where governments' competences over the adoption of their own regulations tend to be far greater and are manifest in the form of "delegated" legislation (the adoption of orders with the power of laws). In addition, the new National Assembly of Slovenia Rules of Procedure strictly limits the Government's role in the legislative procedure. As a result, laws are in fact to a large extent drafted in Parliament instead of acquiring political support first of all. On the other hand, the Government has, since EU accession, acquired legislative decision-making (via decision-making in the Council of the European Union) competences as far as the execution of that part of the sovereign rights transferred to European Union institutions is concerned.

In modern states, the partial domination of the executive branch of government over the legislative branch has occurred mainly due to the greater efficiency, speed and large scope of legal regulation; this is manifest in the even greater scope of the Government's autonomous normative activities and Parliament's status being preserved especially in the area of classical legislative issues and those relating to human rights and protection of fundamental freedoms while, at the same time, its supervisory function has been on the increase. Such a transfer of the centre of state political power from the legislature to the executive has largely been due to the establishment of independent administrative agencies that have virtually become the fourth branch of government and which embody all three classical functions of authority.¹ The rise of the administrative state's power is related to such a course of events. Creating independent public agencies adds to the state's overall administrative strength (this is also true of Slovenia). Even though these agencies formally do not constitute part of the executive, they nevertheless carry out its organizational function and, despite their formal independence, they, albeit to a minimal extent, act as an extended arm of the executive. The executive's tasks and of the administration connected with it have substantially increased and encompassed a whole new range of issue-areas; in the new situation the limitation of the growing power of the administrative state is especially problematic. Administration indeed has grown everywhere; however, the problem is seen especially in discretionary rights or authority. Yet the politicization of the administration can also contribute to the growing power of the administrative state; this can be either top-down (a party division of

¹ In the USA the growth of public administration from the New Deal to today has had the following three characteristics above all: 1) the transmission of central power from the legislative to the executive branch, especially in the light of the administrative state; 2) the rise of the President's power; and 3) the expansion of the federal authority's activities. Some authors even claim the American post-New-Deal administrative state is against the Constitution since it is claimed the architects of the modern state preferred the administrative state over the Constitution.

portfolios as political fiefdoms), bottom-up (collective bargaining and such like) or sideways politicization (interest and clientele groups).

In accordance with the practice of European Union member states, the Public Administration Act transfers a substantial proportion of powers regulating the state administration's organizations from Parliament to Government. In so doing, it assures greater flexibility and a reduced legislative burden on Parliament, renews the leadership system in the state administration (a clear line between politicians and senior civil servants) and provides for a clearer arrangement of the status of bodies within ministries.² All of this is meant to eradicate the possibility of task duplication, reduce the scope of administrative tasks and enable managers to employ staff and financial resources in a more rational way. The reduction in the number of institution means fewer direct budget consumers, greater integration of the administration and easier co-ordination.

The Civil Servants Act enables the overhaul of the system of personnel planning and recruitment; reinforcement of the strategic centre for administrative human resource management, decentralization of human resource management and the increase in internal mobility and the planning of civil servants' career development. The Act also enables the separation of political functions and official positions, the formation of an administrative élite, a more objective system of recruitment and rewards, the professionalization and stability of the administration, the qualification and professional improvement of civil servants and strengthening of social partnership and such like. The Act also lays out mechanisms for attaining greater flexibility and for the rationalization of business (i.e. project work, reorganization, temporary and permanent transfer). The Salary System in the Public Sector Act, which complements the Civil Servants Act, should provide for a consolidated public sector salary system, transparency, flexibility and manageability of the salary system from the public finance standpoint (Haček, 2005: 121).

A step closer to open administration was taken with the adoption of the Act on Access to Information of a Public Nature. The normative part of the reform has also regulated the complex network of relationships between the administration and the citizens, regarding the protection and exercise of their rights in relation to the administration. This arrangement includes administrative procedures, administrative and constitutional judicial protection of the rights and informal aspects of individuals' rights protection in relation to the administration. The orders that exempt users from

² The Ethical Code of Slovenian Civil Servants was adopted in January 2001 and ceased to be in force as at the first day of application of the new Civil Servants Act because, in accordance with this Act, the Code falls within the jurisdiction of the Council of Officials. The outdated Ethical Code was adopted by the government on the recommendation of the Council of Europe. However, it should be borne in mind that the code is itself insufficient to make civil servants performance ethical.

being obliged to provide various excerpts from official databases, to provide minimum standards of customer treatment, state the obligation to provide information in different ways about administrative services, establish a system of responding to clients' criticisms and comments and introduce the compulsory assessment of customers' satisfaction etc., have also contributed to the quality, service improvement and customer satisfaction. Further development is therefore foremost directed at enhanced public administration efficiency, making it more open and transparent, raising the quality of its services and the increased enjoyment of the citizens and legal subjects as the users of the public administration's services. What one can observe is actually the introduction of the principles and values of new public management.

The Slovenian Public Administration Organizational Culture and Climate Measurement Project

At the start of 2001 a project researching and monitoring the organizational culture and climate in Slovenian businesses, known as SiOK (Organizational Climate in Slovenia), was prepared on the initiative of several Slovenian companies and members of the Chamber of Industry and Commerce of Slovenia.³ The aim was to undertake comparative research of the organizational culture, climate and satisfaction among Slovenian enterprises (external benchmarking), together with research into the awareness of the importance of satisfaction and organizational culture in enterprises due to their impact on organizational efficiency, as well as their impact on employees motivation, a key feature of the dynamics of change implementation. The research was based on a questionnaire containing individual statements, and determines the state of employee satisfaction and the prevailing culture in individual areas within four systems of organizational operation: organization (the mode of organization, career development, rewards) leadership (communication, informing, leadership and internal relations), quality (initiative, motivation, devotion, quality), and development (mission, vision, goals, learning, loyalty, adherence). On the initiative of the Administrative Unit, three public administration organizations took part in the project of organization climate research through standardized questionnaires, in 2003. The pilot project for organizational climate and culture measurement by the SiOK methodology is based on the following starting points:

Recognition and verification of organizational climate measurements as the fundamental precondition of successful implementation of the human resource management model within public administration, at the beginning of implementing civil service legislation.

³ *Organizational Climate in Slovenia*, Annual Reports for 2001, 2002, 2003, 2004, 2005, Chamber of Industry and Commerce of Slovenia. Available at: SiOk, Organizational Climate in Slovenia, <http://www.rmplus.si/siok/> (March 2007).

The results of internal environment monitoring by measuring the organizational climate in public administration should serve as a basis of the continuous substance and time planning and verification of elements of the human resource management model (rewards, communication, annual discussion, promotions and careers).

The establishment, through the introduction of organizational climate measurements in public administration, of comparability with the organizational climate monitoring undertaken in the economy (SiOK), as a result the establishment of a comprehensive and consistent analytical model of organizational change within the public and private sectors,

The determination of the internal climate stage is an element of administrative management leadership, which is thus gaining answers for the required strategies of intervention and steering of processes in order for the normative provisions of the civil service system to be put into practice by civil servants.

Together with the Common Assessment Framework for Organizations within the Public Sector (CAF), the organizational climate introduction methodology presents a good analytical framework for improvements and consolidation of the organizational culture, directed at productivity and internal and external clients.

Organizational climate measurements offer periodicity, developmental and quantitative dimensions, interval-based internal comparability with aggregate data, for public administration and the economy, and follow contemporary trends of self-evaluation which state that the leadership ought pay attention to and hence be capable of creating a positive human and social environment in the organization, with the former being the basic condition of efficiency.

The course of the pilot organizational climate measurement project within the three administrative units across the state (2003)⁴ included the following phases:

- co-ordination with the organizational leadership;
- informing employees;
- filling in SiOK questionnaires;
- organizational climate analysis;
- workshops for an in-depth organizational culture analysis;
- elaboration of a research report; and
- presentation of conclusions to the leadership of and employees within an organization.

⁴ In subsequent years even more public sector organizations participated, including a municipality, Krško, two hospitals (General Hospital Celje and General Hospital Novo mesto), one education centre (Centre for Educational and Auxiliary Activities Ljubljana), the Farmland and Forest Fund of the Republic of Slovenia and the Administrative Unit Trebnje (in 2004), the Ministry of Higher Education, Science and Technology and the Administrative unit of Trebnje (in 2005).

The research conducted within the SiOK (Slovenian Organizational Climate) pilot public administration project that was first conducted in April 2003 yielded results according to the individual climate and satisfaction categories as presented in Table 1. The table shows data for all three administrations taking part in the research, as well as the comparison of the data from 2003 to 2005.

Among the individual areas of climate and satisfaction assessment, the area of attitudes to quality (innovativeness, motivation, devotion and quality) is the one with the best rating. Here, the ratings vary between 3.80 and 3.50. The worst ratings were associated with the area of organization (career/rewards) where the ratings vary from 3.00 to 2.82.⁵ It is specifically the systems of rewards, career development and internal communication and information, which are the basic building blocks of human resource management or personnel management that decisively affect the Slovenian public administration's effectiveness.

Table 1: Siok 2002 Climate Categories and the Public Administration Pilot Project in 2003–05

	SiOK 2003	SiOK 2004	SiOK 2005
Attitude to quality	3.80	3.73	3.73
Innovativeness, initiative	3.65	3.57	3.56
Motivation & devotion	3.51	3.44	3.47
Adherence to organization	3.50	3.40	3.40
Professional qualification & learning	3.34	3.26	3.31
Internal relations	3.33	3.22	3.25
Acquaintance with the vision & goals	3.32	3.21	3.24
Organization	3.29	3.23	3.25
Leadership	3.29	3.19	3.20
Internal communication & informing	3.00	2.91	2.96
Career development	2.82	2.73	2.72
Rewards	2.82	2.75	2.77
Satisfaction	3.44	3.42	3.45

Source: SiOk, available at: www.rmplus.si/siok (March 2007).

Table 2 shows a comparison of the organizational climate shown by SiOk in the private sector/economy with that of public administration for 2003 and 2004, which is divided into three sections regarding the level of satisfaction. The pattern of

⁵ The questionnaire used in this survey measures the satisfaction of an individual through various aspects of his/her work: the work itself, organizational leadership, co-workers, chances of promotion, payment, status within the organization, working conditions (equipment, premises), possibility of education, permanence of employment and working time. Each of the employees within an organization assessed each characteristic on a scale from 1 (the lowest mark) to 5 (the highest mark).

marks from the public administration pilot project and the pattern from the private sector are relatively similar as far as those categories with the highest, medium and lowest estimations are concerned. Compared to the private sector, the majority of the public administration categories received better ratings, with only some of them being given lower values. Among these was adherence to organization (2003), acquaintance with the vision & goals (2003), career development (2003) and rewards (2004). The majority of categories received higher marks than in the private sector, while the biggest difference is found in professional qualification & learning, internal relations and internal communication & informing (in 2003 and 2004, respectively). However, the categories of employee satisfaction that scored the lowest marks were career development and the system of rewards, in both the public administration and the private sector.

Table 2: Organizational Climate in Public Administration and Economy (SiOk 2003 and 2004 Surveys)

	ECONOMY 2003	ECONOMY 2004	PUBLIC ADMINISTRATION 2003	PUBLIC ADMINISTRATION 2004
Attitude to quality	3.84	3.73	3.71	3.73
Innovativeness, initiative	3.65	3.57	3.57	3.57
Motivation & devotion	3.54	3.44	3.62	3.45
Adherence to organization	3.52	3.40	3.22	3.44
Professional qualification & learning	3.39	3.22	3.52	3.44
Internal relations	3.37	3.26	3.47	3.32
Acquaintance with the vision & goals	3.35	3.21	3.20	3.30
Organization	3.32	3.19	3.26	3.25
Leadership	3.29	3.23	3.46	3.27
Internal communication & informing	3.02	2.91	3.36	3.12
Career development	2.90	2.73	2.68	2.91
Rewards	2.87	2.75	2.85	2.70
Satisfaction	-	3.42	-	3.58

Source: SiOk, available at: www.rmplus.si/siok (March 2007).

On the basis of research into the internal organizational climate and the in-depth analysis of culture through workshops, the following obstacles and advantages that are important for managerial and staff processes accompanying the modification of organizational culture and thus the alteration of the public administration's performance can be defined (on the basis of the pilot project in the public administration).

The challenges ahead

Reputation of the Organization

- Low in the environment, low among its users (unrealistic expectations)

Distance from Strategic Orientations

- Future, dependency on legislation and procedures, fear

Uniform Official Instructions

- Unclear delegation
- Delay of clear instructions
- Variable practice in the field (contradictions)

Qualification and Flow

- Too few practical qualifications for the operative level
- Poor education system (lack of goal-oriented qualification)

Management

- Managers are generally experts
- Too little knowledge of management
- Little delegation
- Inter-level and interdepartmental communication

Advantages

Employees' Focus

- Clear demands, enthusiasm, responsibility, high level of satisfaction

Service Quality

- Concentration on customers, permanent service improvements, demanding customers

Internal Communication

- Good flow of information, good practice, work instructions etc., within the organization

Positive Elements

- Salaries
- Employee participation in management
- Relatively good mutual relations

Conclusion

With the adoption of area-specific legislation, the contents of the institutional and normative regulation of Slovenian public administration are ever more receding from the everyday public and political agenda. However, they are being replaced by even more important – as far as the quality of life of the citizens and competitive capabilities of the economy are concerned – elements of management: openness, transparency, efficiency, accessibility and an orientation towards internal and external customers. In the course of such events, the importance of a suitable organizational culture and climate as the basic element which can decisively influence organizational success is gaining increasing recognition in public administration and even more so in the private sector. The civil service system reform that identifies the importance of organizational culture and includes the readiness of top civil servants to change the service is the key mobilizing force of any further change in the functioning of the state. The presented pilot project for measuring the organizational climate and satisfaction in public administration aims at contribute to reflections on the advantages and usefulness of organizational culture and climate measurements in public administration as well, and the culture's and climate's connectedness to the processes of human resource management. In order to efficiently implement change and development in administrative organizations, the administrative management will have to define its role even in the organizational formation and alteration through the lens of organizational culture. However, this entails the need for management to qualify itself and become acquainted with the methods and strategies of interference, intervention and direction of the organizational culture's (trans)formation.

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Irena Bačlija is a research and teaching assistant at the Faculty of Social Sciences of the University of Ljubljana.

E-mail: irena.baclija@fdv.uni-lj.si

Marjan Brezovšek is Associated Professor at the Faculty of Social Sciences of the University of Ljubljana and a researcher at the Centre for Political Sciences Research (CPSR).

E-mail: marjan.brezovsek@fdv.uni-lj.si

Decentralization Processes in Croatia and Slovenia

Ladislav Cabada

Abstract: *The article analyzes the decentralisation processes in two post-Yugoslavian countries that underwent a distinctively different development after their secesion from Yugoslavia. The analyzes verifies two basic hypothesis: 1) the the process of joining the European Union, especially the demand to accept specific criteria of home politics, includes the demand for subsidiarity and decentralization; 2) that the development of democracy encourages the decentralization process more than the development in an authoritative regime, or in a regime with limited, e.g. formal democracy.*

Key words: *European Union, Croatia, Slovenia, democracy, development, home politics*

Introduction

Decentralization has been one of the principal subjects in political research in recent decades. The rise in interest in decentralization processes has been primarily related to the emphasis on the application of the principle of subsidiarity in the evolving European Union (see e.g. Fiala et al., 2002). However, the debates about the possibilities of decentralization also implicitly involve historical issues (see e.g. Tägil 1999, various Czech publications dealing with Central Europe, but also e.g. Moravia). Naturally, “regionalism“ and “decentralization“ are not synonyms, but the relatively high level of correlation between the question of regional identities and the principle of decentralization, as well as of subsidiarity, is more than obvious.

Even today, there are black and white views still to be found in (not only) Czech politics and political science discourses. These simplistic views reflect, on the one hand postwar development in the western part of Europe as “natural”, including the question of “democratic decentralization and the application of the subsidiarity” principle, and the development in the countries of the socialist community as completely centralizing and prohibiting any natural activity on local and regional levels, on the other hand. It is beyond any doubt that the Soviet-controlled countries of real socialism – Stalinist Albania and Tito’s Yugoslavia – were to a great extent modelled on the idea of democratic centralism; however, here too, we could observe indications of relatively independent local political and social formations (based especially on historical regional ties), though shaping under continuous – often not very severe – supervision of the central authorities. On the contrary, we can regard